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Management

methods

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How management incentives save us \$20,000 monthly

Rented space versus custom-built offices

The trend toward check-out

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San Francisco 4—Robert W. Walker Co., 57 Post Street, Sutter 1-5568

Management

A publication of MANAGEMENT MAGAZINES, INC. 141 East 44th Street, New York 17, N. Y., MU 7-0583

President and Treasurer, W. S. Kline; Vice President and Secretary, J. W. Harris; Vice President, A. J. Kaiser.



Member of Business Publications Audit

SUBSCRIPTIONS: In United States and Possessions, one year \$5.00. Canada, one year \$6.00. Single copies \$.50. Copyright, 1954 by Management Magazines, Inc. Accepted for mailing under Section 34.64 P.L.&R. at United States Post Office, East Stroudsburg, Pa.

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DEPARTMENTS

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Policy re manuscripts: The object of Management METHODS is to offer "practical solutions to management's problems." For that reason we never highlight a problem without offering at least a partial solution or a recommended course of action. Whenever possible, we like to offer the reader something he can do right now to correct a procedure or solve a problem in his business.

Much of our editorial material comes from business and management specialists as well as from active businessmen at all levels of management.

Most articles employ case histories. An article may be based on a single case history or can be built around a group of related case histories. We like to mention the name of the user company involved in each case history and, when possible, to quote an officer of the company.

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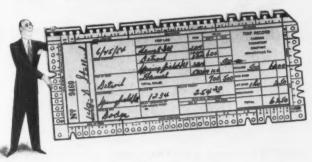
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by Leslie M. Slote

Ass't. to the Pres., Ketay Mfg. Corp.; Management and Labor Relations Consultant

vuestion:

"Our orientation booklet covers most of the points we wish to make, but our workers tend to forget or ignore some of the items we consider important. What can we do to impress them with the importance of remembering the contents?"

diagnosia:

The purposes of an orientation program are to communicate management concepts to the new employee, to build worker morale and security in a new situation, to explain specific company policies and rules, to answer various questions, to build interest and enthusiasm in the new job and to make the new employee feel as though he "belongs."

Like job training, orientation must be a training program, rather than a

one-shot exposure to verbal communication given by the Personnel Department after hiring. One company I know has solved the problem by having the Personnel Department issue an "Orientation Check List" to the foreman or supervisor for each new employee. This is issued in addition to the verbal explanation given by the Personnel Department following hiring and in addition to the issuance of an employee handbook. As each point on the form shown below is explained to the new worker, it is initialed and dated by the person wno covered that point. The foreman covers some of the points personally, and then, in turn, assigns his assistant and the new worker's group leader to explain the others. When the form is completed, it is signed off by the employee and the foreman and is re-

	ORIENTATIO	N CH	ECK-LI	ST		
FOREMAN	Carolyn Rosenstein	DEPT.		search	DATE	6/26/54
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turned to the Personnel Department. As a follow-up, the foreman is required to hold a half-hour orientation session with his entire department once every three months. This serves as an excellent means of communication and has steadily built employee morale.

question:

"Is an exit interview program for terminated employees of any real value? If so, how should such a program be set up?"

diagnosis:

If you are fully aware of the major objectives of the interview and use it to gather precisely the sort of information needed, it is of great value. For example, employees often leave because the company is at fault through such things as inadequate or faulty personnel policies (i.e. lack of promotion opportunity), poor supervision, unpleasant job conditions, wages sharply out of line with prevailing area rates, etc. The objective is to recognize and isolate such conditions and then take necessary remedial action.

When the fault definitely lies with the employee, then the objective is simply to help him. For example, in cases of discharge, talk it over with the worker, giving him a chance to "sound off." Explain the company's position, offer job guidance and (if feasible) try to help in placement elsewhere in order to retain some measure of good-will towards the company. Incidentally, discharge for "just cause" should be the result of a fair hearing before action to terminate is taken and not after summary dismissal by a supervisor.

If an exit interview is to have any value, it must be conducted as a personal, private interview by an experienced personnel advisor who can gain the employee's confidence and respect. The terminated employee must be made to realize that the results of his interview will be kept confidential and that he can freely express himself with outspoken frankness without fear of future retaliation. The interviewer must probe for information through "loaded" questions - questions that





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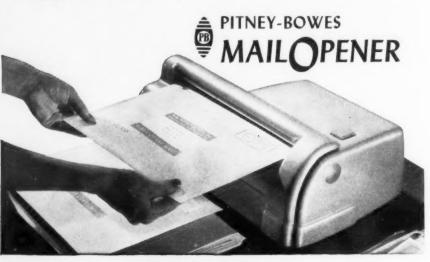




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EXIT INTERVIEW QUESTIONNAIRE

We would like to know it anything could have been done to prevent this termination. Please check the appropriate boxes below. You need not sign this questionnaire, unless you wish to.

	Did you like your fellow workers?	
	Did you get along well with them?	
7	Did you like array lak?	
	Did you like your job?	
	Do you think you were placed on the right job?	
	Did you have too much work to do?	
	Did you have too little work to do?	
7 1	Did you receive enough raining?	
- 1	Did you receive enough fraining?	
_	Did you know what was expected of you?	
	Were you given a chance as means to accomplish it	?
	Did your Supervisor treat you well?	
1	Did your Supervisor encourage suggestions?	
7 1	Did you take orders from more than one boss?	
4		
- 1	Were the working conditions satisfactory?	1
	Were the hours of work satisfactory?	, A
	Did you feel that your job was secure?	
	Did you feel that you had a fair chance for promotic	n ?
7	Did the location of our company influence your deci	sion to auth?
=	Did the location of our company influence your deci	sion to quit?
- 1	Were you dissatisfied with your wages?	
	Did outside "problems" influence your decision to a	juit?
	 When difficulties came up or things went wrong, was 	your Supervisor helpful?
7 1	Could you talk to your Supervisor frankly about your	problems?
7	When you were dissatisfied with something, did you	
-		
1	Did you feel that good work was recognized and rev	
	Were you interested in your job and the type of wor	k you were doing?

Reason for leaving (as given by employee) Reason for leaving (as given by Supervisor)

Please answer the following questions as fully as possible on the back of this form:

What made you first think about quitting?

What was the "last straw" that finally made you quit?

What could the company have done between the time you first felt like leaving and the time you finally decided to quit, that might have changed your mind about leaving altogether?

What do you think should have been done for you to make your job the kind you wouldn't want to leave? lease make any constructive remarks or suggestions you care to about the Company

challenge and that give revealing answers - clues to the real reason for leaving. In many cases of voluntary termination, the ostensible reason given to the supervisor may be an easy way out for the employee, but may be far from the truth. In a surprisingly large percentage of such voluntary terminations, properly conducted exit interviews can retain desirable workers.

In establishing an exit interview program, make sure that all terminated employees ("discharges" or "quits") are

interviewed. This is easily arranged by establishing a procedure whereby the termination notice must be approved by the Personnel Department before the employee is paid off. Conduct the interview, in private, using a check list or questionnaire (as illustrated). Tabulate the results of interviews by "reasons for termination" (don't reveal emplovees' names), discuss them with management and then take corrective action within the company for legitimate company faults.

question:

"How does the number of unemployment insurance claims granted against us affect our company? Can we do anything to reduce them?

diagnosis:

Substantial sums of money can be saved because of the merit rating provisions of State Unemployment Insurance Laws. For example, last year, California employers saved over \$100,-000,000 — and reports from employers

now made it company policy to have all unemployment compensation claims carefully investigated.

In some companies, such claims are still processed by the Payroll Department and are almost always granted because the only available information about the termination is usually insufficient or incorrect. The Payroll Department is usually too busy to investigate and nobody bothers with hearings or appeals.

The processing of claims should properly be assigned to the Personnel in other states show comparable sav- Department, where the people are ings. As a result, many employers have thoroughly familiar with the facts in each case through the termination notice, the exit interview, the personal history record, contact with the Supervisor and, above all, where both the law and the "gimmicks" used by claimants are known. For example, a common type of claim is one in which the employee quits voluntarily and then files for unemployment benefits on the grounds that he was laid off. Some intentionally provoke discharge through infraction of company rules and then claim eligibility for benefits on the basis of discharge without just and sufficient cause.

Sometimes a Supervisor may unwittingly work against the best interests of the company. An employee who decides to quit may enlist the cooperation of the Supervisor to lay him off so that he can be eligible for unemployment insurance. The Supervisor agrees, either for reasons of friendship or because he wants to get rid of that employee.

Another common case involves a claimant who voluntarily quits, but maintains that he was promised a rate review that never materialized and, as a result, was "forced" to quit. Other cases concern employees on authorized leave of absence, women who resign because of pregnancy, resignations because of friction between the employee and the Supervisor and employees discharged for unauthorized absence, excessive absenteeism or lateness. There are many other variations and new angles too numerous to mention.

Make sure that your records are complete and can support any data that you may submit. The control of claims filed against you depends upon the careful processing of such claims by the Personnel Department, plus their effective follow-up of hearings and appeals. Needless to say, the State Unemployment Insurance Law serves a useful function and there should be no question about the willingness of employers to support valid claims.

Management can reduce unemployment claims to a minimum through such preventive methods as better screening and selection of applicants and a closer check on reasons for turnover. Maintaining complete records for each individual termination, paying particular attention to the exit inter-

A REMARKABLE OPPORTUNITY

for the executive concerned with the reduction of operating costs

On October 25, a three-day exchange of management ideas will be held in New York City under the auspices of the Systems and Procedures Association of America.

This will be no highly technical conference at which cloistered technicians will "talk to themselves." The entire meeting is designed specifically for management participation.

Every phase of the program is engineered to provide you with practical help and answers to business questions.

Specifically, here is what the program will provide. First: Throughout the three-day meeting, group seminars will be held, covering basic systems and procedures problems. Each seminar will be led by specialists in the particular area covered. Not a hodge podge round-table discussion—but planned workshops designed to present, explore and evaluate the newest systems techniques. Each conference will be limited to 25 executives, and will provide both lecture and workshop sessions.

Second: Talks by key public and business figures will be featured in the basic meeting throughout the three days, and integrated with group seminars.

Third: A display of the most talked-about advances in electronic office machine equipment, many displayed for the first time, has been made possible by special arrangements with business machine manufacturers.

Register in any one of these ways—The basic Meeting covers three days. Concurrently with this basic Meeting will be held one-day Seminars on the subjects listed below. You may register for a combination of Seminars and the Meeting in this way:

- (a) the basic 3-day Meeting only, or (b) two days of the basic Meeting and
- one 1-day Seminar,

- or (c) one day of the basic Meeting and two 1-day Seminars,
- or (d) three 1-day Seminars only

You have your choice of these Seminars:

Seminar No. 1—Orientation in Electronics Seminar No. 2—Initiating an Electronics Program

Seminar No. 3-Utilization of Present Electronic Equipment

Seminar No. 4—Records Management Seminar No. 5—Work Measurement

Seminar No. 6—Quality Control in the Office

Seminar No. 7—Forms Design and Control Seminar No. 8—Practical Work Simplification

Seminar No. 9—Systems and Procedures
Functions

Seminar No. 10-Communications Seminar No. 11-Office Layout and Design

Seminar No. 12—Operations Research
Seminar No. 13—Inventory Mechanization
Each Seminar combines both lectures and
detailed workshops. And each Seminar
is limited to 25 executives.

Highlights of the basic meeting—Monday, October 25—"The Importance of Systems and Electronics in Business Today." This will be a detailed analysis of the constantly increasing need of management for more efficient reporting and management techniques.

"Cost-Conscious Employees are the Key to Cost Reduction." Here is the basis for developing a cost reduction program with costconscious employees at the heart of it.

Tuesday, October 26 - "Practical Work

Measurement." Case histories of effective application of work measurement techniques.

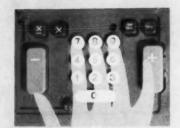
"How to Determine Clerical Costs." Control methods that have resulted in substantial savings in operating costs.

"Electronic Accounting Machine Developments." A panel discussion by leading manufacturers of complete data processing machines as well as specialized electronic business machines. Covers both details of equipment now available as well as new developments now in preparation.

Wednesday, October 27—"An Approach to the Automatic Office." What can developments moving toward the "Automatic Office" mean to large companies? To small companies?

Sponsored by the Systems and Procedures Association of America—The Systems and Procedures Association is a non-profit organization of professional administrative and systems engineers dedicated to the common purpose of management improvement in business and industry. While membership in the Association is restricted to those actively engaged in administrative engineering, the Association is inviting all management to attend this conference as a practical contribution to business.

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view, can be an important factor in determination of claims. Include in your termination notice, a statement telling whether the employee is or is not eligible for unemployment insurance benefits, giving detailed substantiating data. This will make the company's position clear to an employee before any claim is filed.

question:

"Should our foremen be given a copy of the Union Contract?"

diagnosis:

Frankly and constructively speaking, your inquiry is symptomatic—it indicates that your industrial relations policy is probably in need of an overhaul. The answer to the question is an emphatic yes! Each and every foreman and supervisor should be trained to be an expert in the practice of industrial relations which is, in the final analysis, a line function. The daily relationship of your first line supervisor with his people interprets the union contract and, at the same time, sets the pace for your personnel policy.

Many companies reprint the full contract in booklet form and not only distribute it to their foremen, but to their employees as well. Wherever a union contract is signed, copies should be given to the foremen; when the contract is voluminous, a summary of the more important clauses can advantageously be included. Briefing sessions with the foremen individually, or as a group, should be held as often as necessary by the Personnel Department to explain the subject matter and to clarify and interpret the manner in which the contract operates in practice. Withholding the contract from your management team will handicap them in their dealings with your work force. It will embarrass them when the steward and rank-and-file workers have copies, may cause more grievances and certainly prevents their prompt settlement at the first-echelon level. Helping foremen to effectively use and interpret the contract is a must-it makes for better industrial relations and better management. m/m

methods asks the

experts



T. D. Wakefield

T. D. Wakefield is President of Wakefield Lighting Limited, London, Ontario, and Vice President in charge of Trade Relations and Public Relations of The F. W. Wakefield Brass Company, Vermilion, Ohio. His company manufactures lighting equipment, rather than "brass," which is a carry-over from the time when they made gas-light equipment.

Much of the company's trade and public relations work is to educate buyers of lighting equipment to higher standards of interiors and to better and more comfortable seeing in which electrical lighting plays a natural part, but is not the entire answer.

How to set up a Canadian subsidiary

Our experience during the 1950's in opening a Canadian plant and setting up an organization for distribution across Canada can be helpful, perhaps, to other U. S. companies who have been considering the advantages of operating in Canada.

These observations are not presented as a blue-print or specifications for a Canadian operation. Starting with the background, objectives and attitude of management, no two U. S. companies are exactly alike even within the same industry. Beyond that starting point, other variables can be almost infinite in number from geographical location and type of products to knowledge already gained from previous Canadian operations.

Because of our location on the shore of Lake Erie, we had looked across into Canada ever since our company was started in 1907. It was natural that, about sixteen years ago, we started shipping unfinished, unassembled parts of various types of lighting equipment, our sole product, to a Toronto company for finishing, assembly and distribution by their own sales organization. Our several lines were cataloged in Canada and the volume was worth protecting when they decided in 1953 to close their

finishing operations for U.S. manufactured lighting equipment parts and become a distributing organization for lighting equipment for Canada. The management wanted to continue to handle our completed lighting fixtures. Whether to make new arrangements for assembly or to do our own assembling in a new plant in Canada was our problem.

Investigating the possibilities

We talked with representatives of U. S. companies already operating in Canada. When we decided to investigate the possibilities of conducting our own operation, we needed little information on Canadian manufacturing phases. They would follow precedents that we knew well. But we were quite naive about forming a company in Canada. It was pointed out to us early that a Canadian subsidiary should be Canadian managed and operated and we were advised also to omit Canada from the name of any company formed.

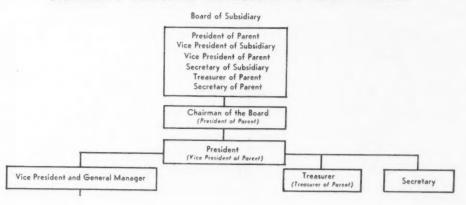
The location of the plant was highly important. Some Canadian cities still offer free sites, but this is not common practice today. To a considerable degree, we were guided by the economies inherent in various regions with

regard to shipments into Canada and shipping facilities from the subsidiary. With only that in mind, we might have chosen Toronto with its burgeoning businesses and colossal expansion. But London, in Western Ontario, won out because the location is, for us, good for both phases of shipping and it is just across the Lake. It takes fifty minutes from home base to Cleveland airport and another fifty to London. Executive time is an expense too.

The London (Ontario) Chamber of Commerce was most helpful in putting us in touch with local industrialists who, in turn, suggested legal counsels and plant sites. The Chamber loaded us, too, with facts about other industries, transportation, labor conditions and rates, paid holidays, pension plans, housing, financing, community restrictions, aids to new industries, municipal taxation and general knowledge about the city, including educational and cultural conditions.

A lease arrangement was attractive since leasing holds down the original investment. In Canada, build-lease companies will acquire a site, erect a building to a manufacturer's needs and lease it for periods from five to twenty-five years at costs ranging from 90c to \$1.10 per square foot per year. To start, we leased about 12,000 square feet in a new two-story building located on a main highway in an area where the suburban section begins to look rural. The location has some value for publicizing the new business.

SUBSIDIARY'S CORPORATE RELATIONSHIP TO PARENT COMPANY



Corporate relationship

The Chairman of the Board, President and Treasurer of the subsidiary company are officers in the parent company. The Vice President who is also General Manager and the Secre-



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tary are Canadians. The latter is well versed in Canadian corporate law and in tax matters.

As to capital organization, since the company is a wholly owned subsidiary, it was incorporated on the basis of 10,000 common shares of no par value and 9,000 non-voting, non-cumulative preference shares redeemable at the par value of \$10 each.

The terms of the preferred stock are such that the subsidiary need not pay a return if no profit is shown. It also furnishes a method for supplying capital which can be removed when no longer needed by the subsidiary. If so provided in the Letters Patent, the Canadian subsidiary may hold its directors' and shareholders' meetings at the location of the parent company.

It is well to point here that a Canadian bank loan has its advantages if the parent company is not in position to supply cash from its surplus. The advantages are apparent in the hypothetical case of a \$10,000 bank loan for 90 days (see chart below).

Economics of the venture

An important early step is to clear with the Canadian Department of National Revenue the minimum amount at which parts can be billed to a subsidiary. In the U. S., our equipment is sold in completely finished and assembled units. Therefore, we have no precedent for pricing unfinished parts sold by the parent company to the subsidiary. No such parts market existed for us prior to the Canadian opening. Since it is necessary to pay duty on parts brought into Canada, they should be priced at a minimum.

On the other hand, Canada has antidumping laws and if the parts are priced at values not acceptable to Canadian customs authorities, the purchaser can be liable for penalties. Therefore, an early decision should be reached with Customs as to the minimum mark-up to be applied to U. S. factory cost, so that costs to the subsidiary can be established.

While computing these figures, it must be kept in mind that the Canadian selling price of a completed article should be less than the U. S. finished price plus duty if shipped complete into Canada. Unless operating in Canada can produce a saving over shipping the completed goods, plus duty, there is no reason for a Canadian manufacturing-finishing operation.

In our case we ship sets of unfinished metal parts into Canada. Then we clean, finish and assemble with electrical parts purchased there. The parts imported into Canada, subject to $22\frac{1}{2}\%$ duty in our case, represent only a small part of the total selling price of the completed Canadian lighting units. The high cost of tooling is amortized over the larger U. S. market and represents a real economy to the Canadian operation.

When sufficient information is available about electric power, water, gas, heat, taxes, lease, wages, salaries and other basic costs, after the mark-up is established in relation to the competitive market conditions, a pro-forma operating statement can be prepared to determine the break-even point in sales. In preliminary stages this can be used to measure the square footage required to furnish the dollar volume

Comparative costs of a \$10,000 bank loan:	U. S. Bank	Canadian Bank
Exchange @ 21/4% premium (assuming par conditions when surplus became available in Canada for redemption of preferred shares)	\$225.00	\$
Interest on 90 day note (computed on balance at Canadian Bank @ 5%; discounted at U. S. Bank @ 4%)	103.28 \$328.28	125.00
Income tax saved through use of interest payment as deduction (using present 52% rate for parent; using 20% rate for subsidiary, assuming annual earnings less than \$20,000.)	53.71	25.00
Net cost \$10,000 90 day period	\$274.57	\$100.00

needed to make the operation theoretically profitable.

Compensation for investment

There is only one reason why stock-holders in a U. S. company could approve putting money into a Canadian subsidiary—returns on the money they have invested in the original company. Conversely, Canadians want to add to employment and business volume, in our case in part from their materials.

Current corporation taxes in most of Canada are 20% of the first \$20,000 profit, 49% beyond that. Chargeable as a business expense is the management fee allowed to the parent company. The rate of the fee and the services which it covers should be established early with the Canadian income tax department. In our case the fee covers:

Personnel training Product planning Product development Technical aid on production Engineering studies Tooling Catalog preparation Preparation of advertising Ad circulation spill-over Sales helps on international accounts Editorial work in Canadian press Demonstration Use of display material Machinery design Plant layout Patent protection Royalties paid Management assistance Speakers at technical meetings Public and trade relations services Goodwill

These services and more are rendered to the subsidiary. Many of them represent heavy expense on the part of the founding company to benefit a Canadian operation. For example, in the first item alone: as General Manager we are fortunate in getting a professional engineer who was already familiar with our products, hence minimum training was necessary. But in the case of the Works Manager and his assistant it was necessary to advertise and interview. After this selection, the Works Manager spent six weeks in training in the parent plant to get acquainted with products and methods. We are certain that these services are rendered at lower cost, through our management fee, to the subsidiary than (Advertisement)

The case of too many customers

An 'employee' not on the payroll

found a Silent Salesman for 15,000 accounts

A MAN FROM THE MOORE ORGANIZATION WAS TRYING TO HELP OUT AND THOUGHT OF A FORM DEVICE NOBODY ELSE DID. IT WAS IMPORTANT ENOUGH TO HAVE A COMPANY THINK OF HIM AS AN 'EMPLOYEE' NOT ON THE PAYROLL

A watch manufacturer formerly distributed through jobbers but undertook to sell retailers direct. The old accounting system had plodded along comfortably on 45 accounts. But 15,000 accounts made it

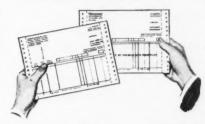
old-fashioned as a buggy whip on a turbo jet. The system groaned. Operations suffering most were those that affected sales volume and customer deliveries—invoicing, shipping, collecting. And then...





Parts 1 and 2 go to the

CUSTOMET They are Invoice and Remittance Advice. The latter, when returned with customer's payment, is also used to credit Accounts Receivable.



Part 3 is the "Silent

Salesman" An order blank sent with the Invoice. Customer's name and address are typed in but the order panel is left blank (see next scene). It's there, ready to "take" the customer's order, like any good



Carbon Spot Tissue does the trick

It lies on top of Part 3. A thin sheet partly coated with carbon to type through <u>some</u> information but not all, as just described (a Moore development, by the way).

Part 4 is Label and
Packing Slip The back is gummed
so the label can be detached and applied
to package. Part 5 goes to Shipping as a
reference copy.



Inventory Tab Cards are important

Part of the Moore system, they furnish the information for invoicing and monthly statements.

They also control



Savings and Gains: One writing types all records needed to process an order and bill it. Moore Carbon Spot Tissue stimulates a good customer habit—automatic ordering. It's a true pre-billing system that eliminates later entries for QUANTITY SHIPPED and BACK ORDERS—thanks to inventory control. Information is complete, with error at a minimum. This was another case of a man with experience, and a fresh viewpoint, making a contri-

bution, like an 'employee' not on the payroll. After all, a representative of a concern like Moore spends a lot of time, and acquires ability, untying office knots. You may want to try him on a tough one some day. Meanwhile, let the Moore organization send you other samples of system improvement in your field. There's no obligation. Write Moore Business Forms, Inc., Niagara Falls, N.Y., Denton, Tex., Emeryville, Calif.

(Circle 224 for more information)



MANY HUNDREDS OF USERS! — reported advantages:

- 1. Less space per worker—but greater comfort and efficiency.
- 2. Privacy—full or partial, as desired.
- **3.** Easily re-arranged for changing conditions.
- 4. Job-fitted facilities for every worker.



5. Fewer motions
—faster work —
lower operating costs.

INCREASES num-

ber of office

work stations in

present floor area from 18%

to 36%.

- 6. Higher worker morale.
- 7. Improved appearance—prestige.

Your G/W dealer will demonstrate TECHNIPLAN, or direct you to nearby installations. Find him in your classified 'phone book under "Office Equipment." Or a request on your letterhead will bring prompt detailed information. Address Dept. 8-M

locking or free-standing partitions—to reduce noise and distractions. TECHNIPLAN partitions are more flexible, more easily installed or rearranged, and more economical than the usual setup movable partitions. Very good-looking, modern, and available in all-steel panels, or with upper panels of clear or decorative glass. Free-standing partitions form ideal private offices, executive suites or departmental sections.

IMPROVED COMFORT for workers,

with more convenient working

surfaces, fully usable. Work

facilities are custom-fitted to

each type of job by means of

interchangeable standard com-

PRIVACY is afforded by inter-

ponents.

G L O B E - W E R N I C K E

Engineering Specialists in

Office Equipment, Systems

and Visible Records

(Circle 213 for more information)

Cincinnati 12, Ohio

would be the case if a totally Canadian company furnished comparable services in its operations. Our personnel is entirely Canadian with exception of the three officers mentioned and one more Board member.

Sales and sales aids

Since it is permissible to send plates from the U. S. catalog into Canada at a nominal duty, the preparation of a sales catalog was handled by a Canadian printer.

Distribution was established with two wholesale organizations covering Canada and some independents. After interviewing Canadian applicants for our own sales representation, we made sure that they were compatible to the distributors before establishing sales offices in Vancouver, Edmonton, Toronto and Montreal.

If our foresight had been as good as our present hindsight, we would have investigated more thoroughly:

- (1) The procedure for making a reliable survey of sales potentials for our products at prices enabling us to cover all estimated costs.
- (2) Procedures for breaking into an established market with our bread-and-butter products, that are basically much the same as those of competition, and with types not manufactured in Canada prior to our opening.
- (3) A procedure for attracting seasoned sales representatives before the actual sales potential could be demonstrated.

As an inspiration and direct aid to all the distribution side and as a service to Canadian architects, engineers, electrical contractors and building owners, we designed the London plant as a demonstration center for every type of lighting equipment which we make, from the factory to the executive offices and incidentally, far better than anything we have at the home base.

We were not yet in production when Canadian editors with electrical interests asked us for assistance in preparing technical and general articles, not all of them connected with our bread-and-butter sales. For example, in one case our engineering staff at the home office collected data over several weeks, then prepared it for a Canadian editor, an example of "good will" engendered

for the Canadian company, as listed in our services rendered to it.

In this type of operation the selling price of goods must be higher in Canada because of the duty on imported parts, smaller runs with resultant higher production costs, and we have found already that other items cost more. For example, travel expense is higher in Canada because of the thin lines of population centers as compared with blocks of U. S. cities. Also, we allow 7c per mile for car operation in the States, but 8c in Canada, because of the higher tax on gasoline.

All of which, as stated in the beginning, furnishes no blue-print for a Canadian operation. But it is possible that observance of even one point set down here which might be overlooked by a company considering a subsidiary may prove helpful. m/m

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Opportunity for executive success: "Well-ordered companies used to boast that they would hire an office boy when the president retired. Less and less frequently, under the new order, do the railroad telegrapher and the bank clerk out of high school succeed to directorships. More and more, industry is accepting the thesis that the future "belongs to those who prepare for it"-in terms, perhaps, of a Master's Degree in business administration from a topflight university. Personnel directors are daily assessing candidates for lower and middle level spots who may become tomorrow's executives. Vigor, ingenuity, flexibility and democracy characterize most of the businesses which, at mid-century, are entering a growth phase. These characteristics directly reflect the qualities of the men who founded or direct the companies. Hence, the supreme importance of the personnel which assures for the management team a succession of replacements of a quality and type to guarantee not only harmony, soundness and stability, but adaptability, humanity and vision." Wallace Jamie, in a report to The Personnel Managers' Committee of the L. A. Chamber of Commerce.

repeating

The trend toward "check-out"

by John M. Wilson, Vice President, Sales The National Cash Register Company

Editor's Note: Whether you are a manufacturer, a wholesaler or a retailer, you will probably agree that more sales are lost at the retail sales clerk level than at any other point in the chain of distribution. Paradoxically, the "check-out lane" system, by eliminating sales personnel, has actually stimulated creative selling. It is no longer a phenomenon associated with the supermarket. Recently, a major New York City department store went self-service. The trend is increasing. For that reason we believe that any businessman can take a long look at "check-out," with his own product in mind.

The author, one of the nation's most famous salesmen, has had many years of experience with a company closely associated with every phase of retailing.

People like to "get in and out" and have their shopping finished in a hurry. And they like low prices. Hence, the phenomenal success of self-service in the grocery business, where it has been a dominant factor for many years. Many other retail fieldsnotably hardware, drug and variety stores - are now converting to the "check-out" system. Studies by our Market Research Department indicate that self-service has become the most significant movement in retail merchandising today.

From the customer's viewpoint, the benefits of self-service are threefold: greater speed and comfort in shopping, freedom from annoyance by sales people and a tendency toward lower prices because of reduced overhead. It should be noted that sales people are available when and if their attentions are desired, and that certain departments may always require personal service, even though the rest of the store is on a check-out basis.

By converting to self-service, the merchant makes it possible to obtain greatly increased sales with the same floor space and fewer sales people in relation to sales volume, thus reducing expenses.

How increased sales result

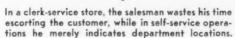
Sales tend to increase in a self-service store for the basic reason that the check-out counter increases the store's capacity to serve customers. During peak periods, the clerk-service store often can't handle the business volume.

As an example, let's say that a "rush" of 20 customers develops in an average store in which there are four sales people. Each of these 20 customers would have to make contact with one of the four sales people before he could complete his purchase and leave the store. Obviously, while four customers are being served, 16 customers are standing around waiting to be served.

Under such circumstances, usually some people walk out without buying. Others, outside, look in on the seemingly crowded store and decide not to enter. Some customers who have already purchased an item see something else that they would like to buy, but they do not buy it because it would mean "waiting it out" again until a sales person is available. In this way, sales are literally lost.

A self-service store, on the other hand, could easily take care of every customer. One of the four sales people would be at the check-out counter to





serve the approximately 60% (in this case 12 of the 20 customers) who would serve themselves. That would leave just eight customers for the three remaining sales people to serve.

The services of the one sales person at the check-out counter more than equal the services of the three sales people on the floor. Actually, the figure of 60% is very conservative. Only two or three of the 20 customers would normally require personal service.

Self-service enables a customer to "get in and out" quickly or to browse as long as he likes. It permits sales people to render far greater personal service when it is needed. It encourages "impulse buying" instead of stifling it; we all like window shopping and it is even more pleasant to look at articles right in the store where we can reach out and pick them up. Sales often increase more than 50% after converting to the self-service method!

Self-service cuts losses

A crowded clerk-store offers an almost cordial invitation to shoplifters. It is quite easy to walk out of such a store with a large item of merchandise.

As sales increase, more people must be hired in a clerk-service store.



With a check-out lane, you can handle far more customers without any added personnel.



00 SIXTH AVENUE . NEW YORK 13, N. Y. . YOUR Punched card tabulation by R & S of your Clearer figures, increased profits, REC ORDIN Q lower inventories, any one of these can easily absorb figures on all 3 service bureau for 'live facts' . S TATISTICAL ANALYSES gives you the BOSTON · DETROIT · CHICAGO · MONTREAL · TORONTO CORPORATION correlation quickly and accurately the cost of this service

(Circle 229 for more information)

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When he switched to Repeat-O-Pak floating carbon paper (the kind you automatically use over and over again) his cost of carbon paper nose-dived to

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His carbon paper savings on 1,000 forms

Multiply that by 145,000 forms used each year and you'll see that he is now saving about \$2,311 every year!

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I remember an actual instance of a store owner helping a customer carry a canoe out of the store and tie it onto his car-only to find out later that the "customer" had never paid anyone for it. Each sales person seeing him go out thought that someone else had made the sale.

A check-out lane eliminates this kind of open shoplifting entirely, for it is obvious that anyone coming up through the store with a large item of merchandise has not vet paid for it. Everything is paid for at the check-out counter just before leaving.

The check-out lane also acts as a strong deterrent to concealed shoplifting of small items. In a clerk store, once the item has been pocketed, the "transaction" has been completed insofar as the shoplifter is concerned. But in a self-service store, the would-be shoplifter must not only pocket the item, but then must "pass inspection" at the check-out lane-something he does not like to do. This has the same moral influence as "going through customs" when traveling from one country to another. The customer knows he is under surveillance.

At peak periods, charge customers, having selected their merchandise, will often approach the nearest sales person (who may be waiting on someone else) and say, "Will you charge this to me, please?" The sales person usually agrees, but in continuing to wait on his own customer, may forget—and so the store has no record of the sale. In a self-service store, all charges are handled at the check-out counter; therefore, it is impossible to forget them. The customer by the very act of leaving sets in motion the recording system of the store.

Since the cashier cannot know the price of every item in the store, the check-out system requires that the merchandise itself be price-marked. Thus mistakes in pricing, common in the clerk-store, are eliminated. Also charge sales, layaway sales, budget sales, unpriced charges, payments on account, paid outs and so forth are all handled at the same place, in the same manner, by a person who is trained to handle such transactions and can be held accountable for the correct handling of all money and records.

New study on self-service shopping

Today's average supermarket shopper makes seven out of ten buying decisions after she enters the store. She doesn't use a shopping list and she devotes little more than a minute of her time in buying each item.

be

The seven out of ten buying decisions reported are a definite increase over the two out of three buying decisions reported by a Du Pont study in 1949. Also shown is a significant increase in the average "impulse" buying rate for all foods. It is now 48.0%, in comparison to the 38.4% figure revealed in 1949. This indicates "store decisions" have expanded with the growth of self-

In making the survey, the shopping habits of more than 5,000 shoppers were studied during a normal week, Monday through Saturday, including evenings. They purchased 67,890 items in 250 supermarkets across the country -an average of 12.7 items for each shopper. Shoppers averaged 17.9 minutes buying these items-little over a minute per item.

Shoppers, interviewed when entering stores, were asked what they intended to buy. All items on the shopper's list (written or mental) were recorded. Each shopper also was asked what brand, if any, she had in mind for each intended purchase. As these shoppers left the stores, all purchases were checked against the original lists.

The study, first of a new series, is a continuation of a customer service which Du Pont originated 19 years ago, when self-service was in its infancy. Later, Du Pont started its famous "impulse" buying studies-the first of this type ever made. Due to the rapid growth of self-service, further shopping studies were conducted in 1945, 1947 and 1949. Other studies include information about different food categories, how they are purchased, non-food trends and packaging influences.

Reduction of expenses

The percentage of expense goes down automatically in any store, whenever sales are increased. The reason for this is that some expenses—heat, light, rent and so on-remain the same or increase very little in relation to an increase in sales. Obviously, if sales can be increased while expenses remain almost the same, the ratio of expenses to sales (and to profits) is greatly reduced, since the only added cost for each dollar of increased sales is the cost of the merchandise itself. Thus, the gross profit on each dollar of increased sales all becomes net profit.

Things usually don't work out this way for most stores; however, the moment that sales increase, personnel must be increased too. While other expenses may remain the same (and, therefore, some reduction of total expense in relation to sales is realized), the big item—salaries—must increase in direct proportion to increased sales.

This holds true even for temporary sales increases during peak periods. When management expects a peak period to develop (such as on evenings, Saturdays and holiday periods) he must hire extra people in advance. He must estimate how much help he needs; weather conditions, or other unfore-seeable circumstances, may then change the entire picture. Further, such part-time people are usually less efficient than the regular staff, so that expenses increase disproportionately to sales.

More important, though, is the fact that in a clerk-store any long-range plans to increase sales must also include long-range plans to increase expenses. Let us assume that there are two identical clerk-service stores; call them "Store A" and "Store B." Each starts out with exactly the same finan-

cial statement, as shown in Exhibit 1.

Both of these stores are determined to increase sales. Store A converts to self-service and sales increase to \$120,-000 without any increase in expenses. Store B, by extensive advertising and promotion, also increases sales to \$120,-000. But, at the same time, in order to handle the added volume, salaries also increase proportionately in Store B-\$15.50 for every additional \$100 in sales. (In both instances, any minor increases that occur in other expenses -including increased advertising for Store B-are omitted for the sake of clarity.) Let us now examine the financial statements shown in Exhibit 2.

The ratio of expenses to sales in Store A is now just a little over 21%; in Store B, it is almost 24%. The difference in profits is startling. Yet these comparisons were constructed on an extremely conservative basis. If we based the illustration on the actual experiences of many store owners who have converted to check-out, the "before and after" differences in sales, expenses and net profits would be far more impressive.

The reasons, then, for the current trend toward self-service in various fields of retailing are increased sales, reduced expenses and minimization of losses—all of which add up to greater net profits. Perhaps even more important is the fact that the customers of many small and medium-sized stores have shown a strong preference for this method of shopping. m/m

Exhibit 1

	Store A	Store B
Sales	\$100,000.00	\$100,000.00
Cost of Goods Sold (71%)	71,000.00	71,000.00
Margin	\$ 29,000.00	\$ 29,000.00
Expense (Salaries 151/2% of		
sales; other exp., 10%)	25,500.00	25,500.00
Earning on Sales	\$ 3,500.00	\$ 3,500.00

Exhibit 2

	Store A	Store B
Sales	\$120,000.00	\$120,000.00
Cost of Goods Sold (71%)	85,200.00	85,200.00
Margin		\$ 34,800.00
Expense	\$ 25,500.00	28,600.00
Earning on Sales	\$ 9,300.00	\$ 6,200.00

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(Circle 209 for more information)

Kodak

How management incentives save us \$20,000 monthly

by Ian Stevens

Treasurer-Controller, Hills-McCanna Company, Chicago

Everyone on our management team, from foreman on up, is careful about costs because part of every dollar they save is added to their salaries. We inaugurated our "Extra Compensation Plan" about a year ago. At our present production capacity, the idea is worth about \$20,000 a month—that represents the difference in production expenditures for a typical month before and after the beginning of the plan.

One of the plan's main purposes is to provide a means whereby individuals in responsible managerial positions can secure substantial additional income by efforts beyond those compensated for in their regular salaries. As can be readily understood, individual performance bonuses cannot be computed for the executives who comprise the upper management level. The quality of their performance is recognized through base pay. But base pay overlooks the paramount importance of teamwork at this level. The sales manager, for example, by securing the right contracts at the right price, can increase company profits. If he were interested in volume alone, profits could suffer through incorrect pricing. Similarly, if the plant superintendent were interested only in reducing costs, service could suffer, with an adverse effect on sales.

At the foreman level, there is a need for an incentive plan that will make the foreman feel he has a stake in production performance, rather than production alone. While base pay and the possibility of advancement is one way of generating this feeling, such incentives usually apply only after the foreman has had a long record of superior work. Our plan is designed to recognize superior production performance immediately and continuously. The plan covers two groups: one covers

production foremen and salesmen; the other, all other management personnel.

Briefly, this is how the foreman's plan works: each department operates on a monthly budget. If a department spends less than the budget appropriation, the foreman receives part of the saving in his paycheck. Thus, foremen are encouraged to look for ways of reducing every item of expenditure in their departments.

The foremen are also encouraged to turn out the maximum number of units, since their budget appropriation bears a more-or-less fixed ratio of production volume. Thus, if they increase production 10%, their budget goes up 10%; as a result, each percentage point (that costs are reduced) is worth more in terms of the amount of money saved.

The graph on the opposite page shows how the bonuses are computed. Normal production is 60% of capacity; when production is increased to 70% of capacity, the bonus amounts to about 15% of the foreman's basic wage.

Thanks to this incentive plan, our foremen have been erasing excess costs with a vengeance. In one department, for example, the foreman cut down his supply bill 50% in three months. Among other things, he had workers sign requisitions every time they received tools, he called in suppliers' representatives and asked for better quality materials and he ordered that every time new parts of new tools were issued, the worn-out part or tool had to be turned in. That way, the foreman could determine for himself whether the replacement was justified.

In another case, a foreman thought his department didn't have enough time to make screens which were used to pour off molten metal in the foundry. When he learned that buying the screens would mean a cost increase of about \$300 a month, he found the necessary time to have them made in the department.

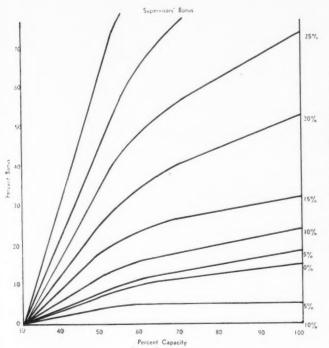
Foremen have reduced the company's bill for supplies (excluding raw materials) about \$7,500 since inauguration of the plan. Labor costs also have been reduced sharply.

One foreman had the time study department check his utilization of indirect labor. The study showed that about 25% of his labor was being wasted. A sweeper, for example, would clean up around a machine just before the operator brushed metal shavings onto the floor. By eliminating this and other waste motion in the department, the foreman was able to bring about the 25% reduction in indirect labor expenses.

As in every company, there is a good deal of borrowing of men and materials among our various departments. There is nothing wrong with this practice, of course, except that it often complicates the cost accountant's job. But now, with the extra compensation plan in effect, slips are signed and pertinent in formation is recorded, even when a screwdriver travels from one department to another.

The plan applying to management personnel other than foremen and sales men, is based on profits. But unlike most profit-sharing plans, this one is based on division profits rather than company profits.

Hills-McCanna is organized into three divisions: the foundry, the machine shop and the administrative division (which includes purchasing, accounting and similar departments). A portion of the company's annual net profit before taxes (known as "operating profit") is apportioned among each of the three divisions. The formula used in calculating each divi-



The figures to the right of the graph are percentage of increase in production; left, amount of bonus (stated as percentage of the foreman's basic wage). If you follow the curve representing a 10% increase, you will see that when production is increased from 60% to 70%, the bonus amounts to a little over 15% of the foreman's wage. At 80% production, a 10% increase amounts to about 22% of the foreman's basic wage

sion's share is designed to reflect any increase in operating profit made by a particular division during the year because of reduced costs or increased sales (in the case of the two production divisions) or better "housekeeping" (in the administrative division).

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The salaries paid management executives in each department bear a more-or-less fixed ratio to this annual profit. For example, in the machine shop division, management executives' salaries may be equivalent to 4% of the division's operating profit. The figure may be 2% or 3% in each of the other divisions (these are not actual figures, but are used only for illustration).

The division's annual operating profit is multiplied by this salary percentage to find the bonus pool, out of which comes each executive's bonus. The individual bonus is obtained by dividing the pool by the total executive payroll in the division and multiplying this by the individual's salary.

In some cases, the executive's full salary is used as the multiplier. This group includes the factory superintendent, sales manager, chief engineer and production manager in the machine shop division, plus the factory superintendent, sales manager and technical director of the foundry. Also in this "100%" group are the following

administrative officials: the purchasing agent, director of industrial relations, chief cost accountant, chief accountant and assistant treasurer.

Other management executives use only 75% of their salaries in figuring bonuses. Generally, this group includes executives who report to those in the "100%" group, such as metallurgists, staff engineers, chief draftsmen and chief clerks.

All other management executives receive a bonus based on 50% of their annual salaries. Included are sales correspondents, application engineers, the chief of the quality control department, the cost accountant, buyers, the company cashier and the employment manager. Generally, this group comprises management personnel beneath the other two in the company's table of organization.

The extra compensation plan has spurred management at all three levels to re-double their attack on unnecessary costs. Several months ago, for example, one of the company's customers needed a specially-designed valve, an adaptation of a standard product. Under ordinary circumstances, the sales department would have made a routine request to engineering for the necessary design. But, in this case, sales asked engineering how long the designing job would take. The answer



was that 150 hours would be required. Because the price of the item couldn't possibly cover the cost of this engineering time, the sales department stopped the matter right there. Through teamwork, a red ink entry was eliminated.

Recently, we converted our five lift trucks and a tractor shovel from gasoline to propane, a fuel somewhat similar to natural gas. When the vehicles had been operating on gasoline, upkeep totaled about \$2,500 a year — \$1,200 for maintenance, the rest for fuel. The purchasing agent learned that propane could be obtained for about 20% less than the price for gasoline and that the switch would reduce

the maintenance bill about 50%. Although the conversion cost is about \$1,900, this money will be returned within two years, in the form of lower fuel and maintenance costs.

An extra-compensation plan must be tailor-made for every company. The need for careful cost accounting is inherent in the success of the idea, since every item of expense must be charged to the person or department responsible. But, as our experience indicates, once this problem is solved, the plan can make a significant contribution toward solving what is perhaps a company's knottiest problem—the problem of unnecessary costs. m/m





7848 W. Hicks • Milwaukee 14, Wis.

(Circle 241 for more information)

REX-O-graph, inc.

method of the month

by Della Hamlin, Office Manager Saladmaster Sales, Inc., Dallas, Texas

Microfilmed records replace journals

Save over \$5000 yearly in salaries and forms cost

Replacing handwritten records with microfilmed records has cut costs and boosted efficiency in our Accounting Office. Within the last three years, our head offices in Dallas were doubled in size three times. In 1953, our sales of kitchen wares topped the five-million dollar mark, with some 1,600 contract distributors working throughout the western hemisphere. An associate corporation handles the financing of approximately 12,000 installment accounts.

Our growth has been the continuous application of sound business policies, with management requiring up-to-date accounting information on company activities. To keep the accounting work parallel with company progress, we now have 15 accounting machines, microfilm equipment and miscellaneous adding and calculating machines.

One of the greatest problems was the processing of orders, which were accompanied with deposits, so that complete and immediate reference could be available. These orders were received in the Cashier's Office and recorded in a cash received journal. This involved posting the order number, the customer's last name, the distributor's name and the amount of the deposit. A copy of the order was retained and filed in the department and the original order was passed along to the Shipping Department to be filled.

With a steadily increasing volume

of orders, the posting job became more and more time-consuming until it became the principal assignment for two clerks. Moreover, we anticipated that if business continued its pace of expansion, we would need two additional clerks in the Cashier's Department for processing the orders.

A study revealed that by installing microfilming equipment, a single employee could handle the entire operation. She simply photographs the orders at high speed and the filmed copy becomes the Cashier's permanent record. Other benefits of microfilming are: elimination of numerical filing of one copy of the invoice, elimination of the pen and

ink cash received journal, reduction in sorting time, reduction in filing time, an easier billing system because fewer copies are involved and an actual saving of \$546 last year on forms cost.

Microfilming also provides easy and quick reference to documents. Because all rolls of film and cartons are indexed and listed in a master index, any document can be located within a matter of seconds—much faster than by probing through file drawers. Because the equipment is not in full-time use on this application, other company records are filmed for safekeeping and also to recover space formerly used to store these other records. m/m

With microfilming equipment, one employee handles complete processing of orders.



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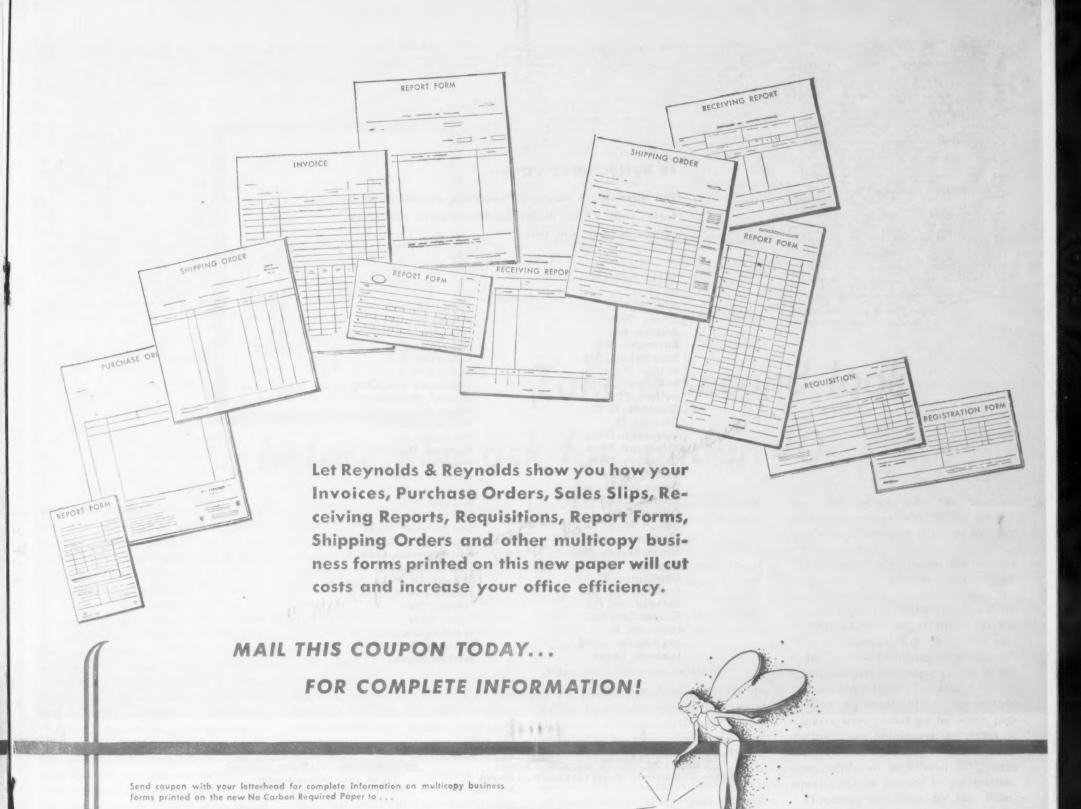
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COMPANY NAME____

COMPANY ADDRESS_

to better serve you . . .

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Memphis, Tenn. Milwaukee, Wisc. New Orleans, La. Muncie, Ind. New York, N. Y. Newark, N. J. Oklahoma City, Okla. Omaha, Nebraska Peoria, III. Philadelphia, Pa. Pittsburgh, Pa. Portland, Oregon Providence, R. I. Richmond, Va. Rochester, N. Y. St. Louis, Mo. St. Paul, Minn. San Antonio, Texas San Diego, Calif. San Francisco, Calif. Seattle, Wash. Springfield, Mass. Syracuse, N. Y. Toledo, Ohio Tulsa, Okla. Washington, D. C. Reading, Pa. Wichita, Kans.









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Carefully designed business forms will increase your office efficiency . . . call the business forms specialist, your Reynolds & Reynolds Representative . . . today!

THE REYNOLDS & REYNOLDS COMPANY



30 with 40 years' experience.

before you ask for "under 40"

One of the ironies of our time is that while medical science has added twenty years to the life expectancy of the average American since 1900, he has not been able to stay in productive employment as long as his grandfather. Life expectancy after the age of 65 has gone up 10% in this century, but the average work life after that age has dropped by the same percentage in the same period.

Today, untold numbers of competent men and women are unable to find work because they are considered "too old." Sometimes, as in the case of women office workers, the bar is set as low as thirty-five years. By the age of fifty, anyone of either sex is likely to have trouble finding a job and by sixty, one must consider himself lucky to be working at all. Thus, there exists an enormous and virtually untapped source of willing manpower—a source which you as an employer might do well to explore.

Usefulness not determined by age

How old is "old"? Any answer is bound to be arbitrary and misleading, for age is a highly individual matter. The efficiency of some people begins to wane in early middle-age; others hit their prime much later and can give vigorous service well into their seventies. The only safe general rule you can make is this: chronological age is no criterion for an employee's usefulness. It is sheer prejudice for any company to set an across-the-board age limit on its personnel-and it may also be a costly mistake.

'Actually we'd like to hire a man between

Independent surveys were recently made in two states, Illinois and New York, to find out how older workers compare with their juniors. Both came up with the same answer: they are every bit as good and often better. These two studies happened to be limited to retailing, one of the few major business fields where hiring older people is common practice, but their findings parallel the experience of an increasing number of employers in every industry who have experimented with the policy.

A research team from the University of Illinois asked store and department managers all over the state to comment on and rate the performance of each of their employees over the age of sixty.

Robert L. Peterson reported the results in the University's Business Management Service Bulletin.

Twenty per cent of all the elderly workers in question were rated "excellent" by their own supervisors. Twentynine per cent were rated "very good" and most of the rest were called "good," with only a smattering in the "fair" and "poor" brackets.

Older workers more reliable

The legend that older people are apt to lose more time through illness was disproved when no less than 70% were reported to have less absenteeism than the average younger worker-and those of 75 years and older had an attendance record almost as favorable as that of people ten or fifteen years younger. One store manager in Bloomington added the note that after a recent blizzard, when public transportation was at a standstill, every one of his older employees was on the job when the store opened - while more than half of the younger workers phoned to say they couldn't make it.

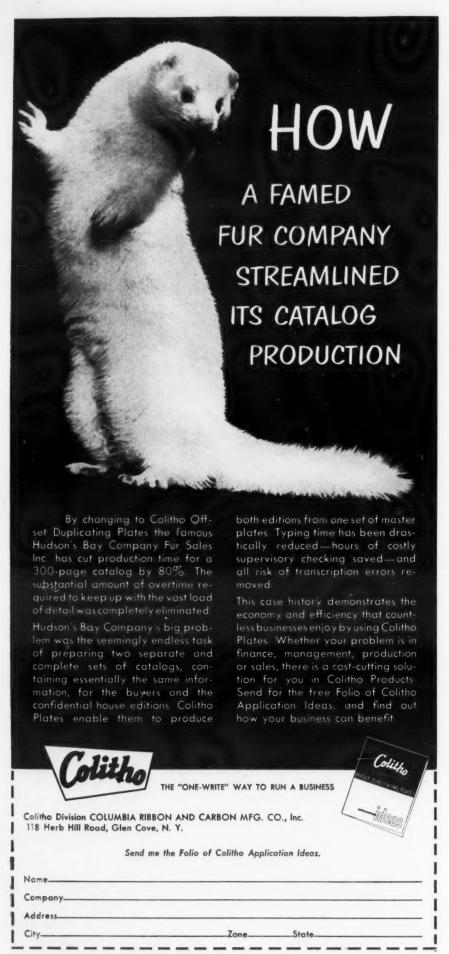
Doctors generally agree now that illness is not a natural concomitant of old

age; older people who take care of themselves are subject to no greater incidence of sickness than the average younger person.

The survey also found the 60-plus group to excell when it came to "getting along with others," despite the general belief that older people are inevitably crochety and eccentric. On the issue of dependability, 58% were said to be "more dependable" than younger employees and 38% were placed in the "just-as-dependable" bracket.

Most important, 39% of the elderly workers were found to be more productive than youngsters, in terms of dollars-and-cents sales and work volume, while an additional 47% were equal to their juniors in production.

However, according to Mr. Peterson, we must be careful not to infer more from these findings than is justified. One cannot assume that people gain efficiency as they grow older, since those in the survey are obviously healthy and ambitious enough to have sought and held their jobs. Nor can it be said that older people should be hired in preference to young ones; it is always good business when possible to



hire people capable of giving long years of service. The report shows that work efficiency does not cease at any particular age, that selective groups of older workers tend to out-produce average younger workers and that older people desire and need to continue working.

N.Y. study corroborates results

A similar study, made by the New York State Council of Retail Merchants, Inc., covered an area that does about 15% of the nation's retail business. It revealed that experience in hiring older women has been 85% "satisfactory or better." With men, the figure was lower, but still better than 50% on the favorable side. Generally, those employers interviewed felt that older people take a greater interest in the business as a whole and do things without being asked. They are stable and dependable; they seem to like the security of having work and staying put. Also, they have been trained under much more favorable conditions than existed during the last 15 years.

On the debit side, a few supervisors complained that they are *too* set in their ways: one felt that some older people are simply interested in building up their social security benefits. However, as with the Illinois survey, the reports generally weighed heavily on the side of praise.

Widespread prejudice evidenced

Too many executives still need to be enlightened. In 1950, the U.S. Employment Service made a study of the job openings listed with the State Employment Service offices of four cities. It was found that in Columbus, Ohio, one of the test areas, no less than 80% of the jobs listed for women carried maximum age limits, often as low as 35 years and 64% of the openings for men were similarly restricted. In Houston, Texas, 58% of the women's jobs and 50% of the men's jobs were closed to applicants over a certain age. New York, N. Y. and Lancaster, Pa., the other two cities, made more liberal showings, but the incidence of age ceilings was still considerable.

Women generally have a tougher time with the age barrier than men. This is particularly true in office work, where the complaint is frequently made that the older applicant is likely to be rusty in her skills, since it's likely that she's returning to work after years of housekeeping and child-raising. Many executives, who are willing in principle to hire an older secretary, are reluctant to stand by while she tries to re-orient herself to a kind of work she hasn't done in a decade or two. Often, too, the woman's own attitude—shyness about her age, fear of failure, reluctance to compete with younger women—creates a barrier to her successful employment.

This particular problem has recently been brought into sharper focus by a shortage of younger women office workers in many parts of the country. This shortage is attributed not only to increased business activity, but to recordbreaking marriage and birth rates, as well as an actual decrease in the national population of young females. In 1950, this country contained 19,000 fewer girls between the ages of 20 and 24 than in 1940 and one million fewer girls between 14 and 19, even though the over-all U.S. population increased by six million in the same ten years. This means that the supply of young women workers will continue to dwindle in the near future.

Refresher training proves valuable

Many observers believe the answer to the office-girl shortage is refresher training for older personnel. Courses for re-training former office workers have sprung up in various cities. It has been repeatedly demonstrated that any former typist or secretary can be restored to full efficiency in a short period, no matter how long her skills have lain idle. A "refresher" school was recently launched in Denver under the auspices of the U.S. Department of Labor and run by the Colorado State Employment Service in cooperation with several Denver women's organizations. Soon after the first class of 16 "older women" had been graduated, a check-up on the alumni showed that all were satisfactorily employed. According to the Employment Service, they were "well above the average level of ability, with a potential work life of 10 to 20 years' uninterrupted service."

Individual companies have also pioneered by setting up their own olderpersonnel programs and found that the policy pays off. A large Milwaukee bank used to rely on new high school graduates as its primary source of clerical personnel. When its postwar expansion of business outgrew the available supply of youngsters, the bank turned to an existing, untapped major source: unskilled, older housewives who were willing to work on a part-time basis.

The bank first analyzed and simplified its various clerical jobs. For instance, work was planned so that a part-time bookkeeping machine operator would receive only those items already checked and approved by a full-time supervisor. An on-the-job training program made a part-time worker self-sufficient after 65 hours at the simplified bookkeeping job. A series of five-hour work shifts was established, running from 7 a.m. to 11 p.m. Then the bank ran the kind of helpwanted ad all too rarely seen: "Permanent part-time work. We train you. No maximum age requirements."

What began as an emergency measure proved so profitable that the bank adopted it as regular procedure. Several hundred women, many over fifty and some over sixty have been hired, trained and placed on the job. Many of them never worked before; their jobs have given them a new outlook and interest as well as permitted them to add to the family income. Most of them are said to be "steadier and more careful" than younger employees.

A similar policy-switch in a Chicago insurance firm, the Banker's Life & Casualty Co., came about in an unusual way. According to the company president, John D. MacArthur, it all began seven years ago when a 73-yearold widow walked into his office and asked for a job. Impressed by her sincerity and obvious mental alertness, he hired her at a starting salary of \$150 a month, doing unskilled work in the accounting department. Now over eighty, she is earning \$235 a month and still going strong. Her example opened similar employment to others. Of the 2,706 persons on the Banker's Life payroll today, 324 are over 60 years old and 780 are both over fifty and physically handicapped. They report that morale and efficiency have never been better. m/m

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The Copyflex Series 100 is made by the Charles Bruning Company, specialists in copying since 1897. Let us show you how it can save you time and money in your office. Mail coupon below for full particulars.

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△ Charles Bruning Company, Inc., 4700 Montrose Ave., Chicago 41, III., Dept. 607 Please send me more information about the Bruning Copyflex Series 100.

Company_____Address_____

(Circle 240 for more information)

thought starters



Cash register computes change automatically

A new cash register automatically computes the amount of change to be given the customer. It works simply: the sales clerk rings up a customer's purchases in the usual way on the cash register, which creates a regular itemized receipt. Then, instead of just taking a total, he takes a sub-total and enters the amount of money given him in an "Amount Tendered" key. He then touches the "Change" key and takes a total.

As this procedure takes place, the "indication" at the top of the cash register shows the total purchased, the amount tendered and, as a last figure, the amount of change due the customer. All of these figures also print on the customer's receipt, which is now

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not merely a receipt but a complete record of the entire transaction.

There is no longer any excuse at all for giving a customer the wrong amount of change, no reason for a customer to doubt that she did get the right amount, at time of sale or after.

Another outstanding feature of the

change-computing cash register is the ability to directly subtract coupons, bottle refunds, etc., simply by entering them through the "Refund" key. After purchases are itemized, a sub-total is taken, the coupons or other credit amounts are entered and a sub-total taken again, thus showing net amount due. The amount tendered is then entered and the cash register figures change. The customer gets a complete statement and the chance for manipulation of credit amounts is minimized.

For more information, circle number 285 on the Reader Service Card.

BOOKKEEPING thought Batwiter

Free book details simplified bookkeeping system

Nationwide surveys, conducted independently by two eastern universities, revealed that 87% of the nation's small businesses attempt to maintain their record-keeping systems without any professional assistance.

As a result, a national manufacturer of record systems and controls conducted a further survey. Starting with the premise that the new "get tough" policy of the Internal Revenue Service, backed by recent court decisions which make detailed records mandatory for full proof of tax claims, the survey sought to determine what was needed-then what was wanted by businessmen to improve their systems. The results of the survey were turned over to the J. K. Lasser & Company accounting firm in New York City with the commission to develop a record-keeping system which would provide answers to all of the problems inherent to most businesses.

A simplified bookkeeping system was thoroughly detailed, together with a general discussion of why good records are important, written personally by the late J. K. Lasser. Pub-

lished for retail sale, the book is available to readers without charge.

For your free copy, circle number 286 on the Reader Service Card.

SALES thought 63 starter

Unique sales order features two duplicating masters

R. W. Richards Systems & Procedures Division Freuhauf Trailer Co. Detroit, Michigan

The information found on sales orders used by most companies has many uses in addition to its use for the original sale. As a result, more copies

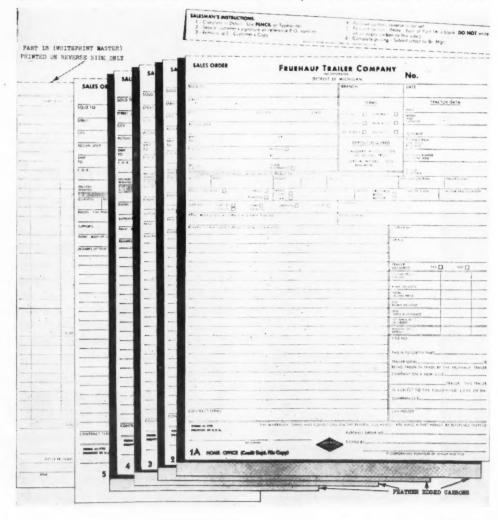
of such orders are often required than are prepared at the original writing. One method of providing for additional copies is by the use of a white-print master used in the sales order form.

We use an unusual system with two separate whiteprint masters in a sixpart set. The order gives all the needed data but is not unwieldy.

A complete digest of each sale must be furnished by the salesman on his handwritten order. Maximum legibility and clarity is important on all copies of the order since the trailers involved are produced on the basis of information appearing on the order.

A six-part form incorporates the writing of data on both sides of the opaque parts. The first and last copy are whiteprint masters. The last copy, however, is printed only on the reverse side. There is no carbon between parts five and six. In use, the salesman

The first and last parts are Whiteprint Masters with the last part printed on the reverse side. Carbons are omitted between parts five and six permitting the writing of data on both sides of the opaque parts. Feather edge carbons are used between the other parts to facilitate reversal of the form.



fills out the face of the form, removes the feather-edged carbons, turns the set over, re-inserts the carbons and fills out the reverse side of the form. Thus, the inside copies are used on both sides and the two masters (parts 1A and 1B) are used to reproduce extra copies on paper that is sensitized on both sides.

When a salesman completes the face of the order set, the fifth sheet (Customer's Copy), which has been made longer than the other copies for easy identification, is removed and given to the customer.

The order set and carbons are then reversed and the salesman completes the pricing data on the reverse side of the set. The first part (the front master) is blank on the reverse side and, therefore, a carbon is not re-inserted on top of this blank part.

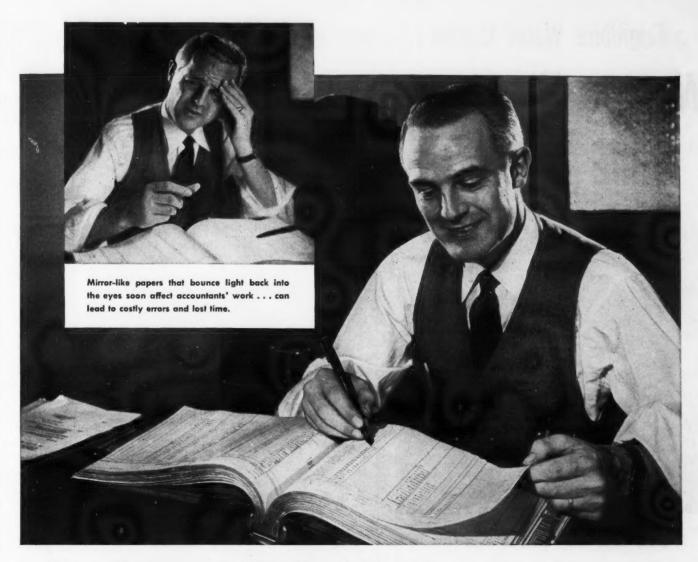
After price computations are completed, the salesman submits the complete set intact with carbons to the Branch Manager for review and approval. The Office Manager at the branch also reviews the order for completeness, clarity and, if necessary, furnishes additional credit data. The branch order number is then assigned using a series of numbers preceded by a branch prefix number.

The Office Manager removes parts 2 and 4 from the set and sends parts 1A, 1B and 3 to the Home Office Sales Order Clearance Department. Part 2 is filed in the customer sales files and part 4 is sent to the Divisional Manager's office.

At the Home Office, parts 1A and 1B serve as masters for reproduction of additional copies for both the Sales and Production Departments. Part 3 is filed for the Product Sales Manager.

The new system simplifies Branch Office procedures and provides a direct instrument from salesman to factory. Production to exact specifications is assured and processing of the order is speeded up since re-typing of information is no longer necessary.

The form is designed so that both sides of each copy can be used without disrupting the duplicating system. Feather-edged carbons facilitate reversal of the form. One writing of the form eliminates the possibility of transcription errors. m/m

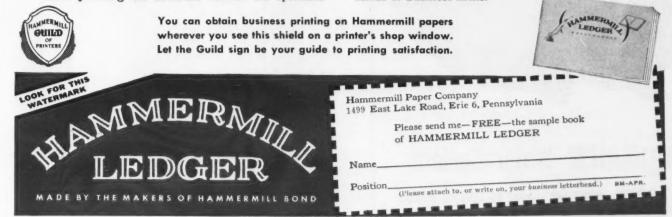


You Prevent "Glaring" Errors

WHEN YOU CHOOSE EASY-TO-WORK-WITH HAMMERMILL LEDGER

Your accountants will appreciate the way in which Hammermill Ledger's low-gloss finish speeds work because it reduces eyestrain. And you'll save money through a reduction in errors and lost time.

In addition, Hammermill Ledger paper has a firm surface that rules perfectly and provides clean printing on accurate forms. Its splendid texture is ideal for typing and writing. (For machine posting there is the special roller-gripping finish identified by the watermark "Posting Finish.") Test its strength, durability, and glare-reducing surface, and you'll see why this superior ledger paper is used by thousands of business firms.



Wastes No Money While It Waits!



Flash-O-Matic Action Cools as Water Flows

Wastes no water—wastes no electricity. Chills instantly as water is used. In laboratory tests, hundreds of 8-oz. glasses of water were drawn one after another from a Frigidaire Cooler, and the last one was just as cool as the first. Water pressure automatically regulated, no surging or dying out.

Other models include bottle-type coolers and a special explosion-proof model for industries where explosive fumes or mixtures are present. Powered by Meter-Miser Compressor warranted for 5 years.

Call your Frigidaire Dealer or write: Frigidaire, Dayton 1, Ohio. In Canada, Toronto 13, Ontario.



Frigidaire Water Coolers



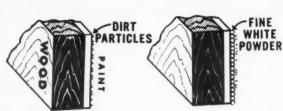
BUILT AND BACKED BY GENERAL MOTORS

(Circle 212 for more information)

Self-cleaning paint

Despite the modern trend toward color, white is still the most popular color for building exteriors. An ideal paint for such purposes is the "titanium exterior" type, commonly called a "self-cleaning" paint. This type of paint offers both protection and appearance —and most important of all, no maintenance problem.

Ordinary white paints tend to collect soot and dirt from the atmosphere and hold it tenaciously to the surface, especially in industrial areas. The titanium oxide paint has two outstanding characteristics: it has the greatest hiding power or opaqueness of any of the white pigments and, in addition, it possesses certain peculiar chemical characteristics that make its self-cleaning properties the best yet achieved. The illustration and explanation below details exactly how the process works.



1. The self-cleaning paint collects dust and dirt from the atmosphere during the first few months, while ordinary exterior paint continues to pick up dirt throughout its life. 2. After several months, a fine white powder starts to form on the surface of this point. This formation breaks the grip of the dust and dirt on the paint film, loosing its bond.



3. When a rain comes, the fine white powder is washed away. Most of the accumulated dust and dirt is washed away with the surface dirt.

4. The surface is clean and white again and this process is continuous. It's so gradual, that the long life of the paint is not adversely affected.

For more information on self-cleaning paint and its applications, circle number 273 on the Reader Service Card.



(Circle 222 for more information)

THE MANAGEMENT METHODS

work

"... men and machines don't work in a vacuum. Though you may saturate your Work Stations with skilled workers and modern tools, they can produce efficiently only when 'community' factors like traffic control, and adequate lighting, and proper communications — and even creature comforts -are properly integrated."

"integrated office

Rented space versus custom-built offices



Why Square D stopped renting space and built their own office building

After moving from one rented building to another for the first forty years of their existence, the Square D Company recently decided to put up their own building to meet expanded plant and office operations. While they found it was sometimes possible, in rented space, to meet standards of excellence in factory production, they were rarely satisfied with the results in office production. They found that no matter how efficient their manufacturing operations were, the actual shipment of the product could always be delayed by a bottleneck in the office.

During the past ten years the company's expansion has been greater than ever before. Therefore, all the space and production problems had so magnified that there seemed to be only one solution, to build an administration building custom-designed to fill the firm's office needs.

The principle of "specific area layout" was carefully and economically applied to Square D's office planning. In effect, this type of planning means that instead of allowing an amount of square feet of space designated as "general office," the planner analyzes the operations of the office, allotting a specific number of square feet for each operation (i.e., billing machines, invoicing, records). For example, it may be decided that the cost accounting procedures can be efficiently performed in 150 square feet. An extra allowance must be made for the possible company expansions and the proportionate expansion of each depart-



Upper left, official "front" for new office building. Above, portion of second floor "open area" space shows high-intensity illumination. At center right, back-to-back rows of files serve adjoining areas.

ment. In this type of planning it is important to note that in the event of company expansion, all departments do not necessarily expand in the same proportion. The factory may expand by 25% and this could affect various departments differently. It might, for example, necessitate a 40% expansion of the personnel department, 20% in the payroll department and 5% in the machine accounting department. So the efficient office planner tries to estimate the expansion rate not just of the overall operation but of each department within the organization.

Another way of allowing for expansion is through the use of the "open area" plan. Since there are no walls to obstruct the movement of departments, they can be moved whenever and wherever the circumstances require it and the entire work flow of the office can be easily adjusted to these moves. Open areas simplify the planning of

the architectural elements, the functioning of the office and the maintenance of the space.

Before going too far formulating plans for their office space, the company appraised their office methods and procedures. All office work was carefully analyzed with an eye to streamlining the operations. Forms design was integrated with work flow in eliminating useless order and production forms. A similar analysis served to cut down on mail routing and other office procedures. Basically, Square D has come out of their architectural planning experience with a more direct and efficient office routine.

Planning the utilities

In order to avoid any of their past troubles with lighting, the firm's engineers set up their own testing room for lighting fixtures. For a period of two weeks they had several different



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PRODUCERS OF: The new Arnel





LEFT: This section of the Tabulating Department again shows the stress on good lighting and open areas. RIGHT: One of the executive offices decorated in modern style.

types of fluorescent fixtures installed in a small private office. The choice was then made on the basis of first-hand observation. The company chose flush mounted fixtures with prism ground lenses. Light meter studies of the actual installations disclosed an average lighting intensity of 85 foot-candles at desk height. This compares very favorably with all previous installations at Square D.

Electrical wiring and telephone ducts are under the flooring with outlets at regular intervals throughout the space. Air conditioning and sound-proofing are handled by a metal-tray ceiling. The trays conceal the acoustical insulation as well as the air conditioning vents and radiant heating pipes.

Again the advantage of the open plan is evident. Considerable economy was achieved in the installation of the air conditioning system by the freedom with which the vents could be placed. There were, after all, no partitions to complicate the placement of the duct work and to necessitate extra vents in the ceilings. m/m

Plan-SUPPLEMENTARY LIGHTING for proper work station illumination





LEFT: Supplementary lighting in a well-lighted reception area. RIGHT: Individual desk lights in a less birght, more conservative insurance office.

The importance of having the right kind of light in the office today is generally recognized by management, office planners and architects. However, specifying the right kind of light for individual work stations and individual workers cannot always be planned in advance, but often requires on-the-job testing and analysis. The

worker of fifty, for example, may require twice as much light as his coworker of thirty performing the identical tasks. Two workers in the same department, one handling large, blocked-out business forms, the other constantly peering over finely-printed price or rate lists, will need two entirely different lighting accommodations. In the offices of Robert Meeker Associates, of New York, television and radio station representatives, supplementary or individual desk lighting is provided for 90% of personnel, including the president. Their general fluorescent illumination is maintained at 30 to 40 foot-candles. In this office, consultation of rate lists, finely printed marketing maps and station data compilations are a continuous part of everyone's job, from the president, who uses the data as a basis of policy decisions, to the typists copying lists.

Increasing the over-all illumination to the 50 or 70 foot-candle level needed for easy seeing in these close-vision tasks would certainly have supplied the right amount of light, but it would also have increased the glare factors to the point where they became even more of a strain on the eyes than in-adequate light. Individual, non-glare desk lamps created an immediate visual field for the individual worker adequate for his specific task and provided a brightness-contrast with his individual surroundings.

Another business organization faced with the necessity of raising the brightness coefficient of individual work areas by means of supplementary lighting was the All-State Brokerage Company. Here again, ceiling fluorescent lighting provided over-all illumination, but for the continuous close-vision tasks of ledger clerks and appraisers, a more concentrated light was needed. Individual job analyses were made by lighting engineers, who recommended a light level of 70 to 80 foot-candles on a work station basis.

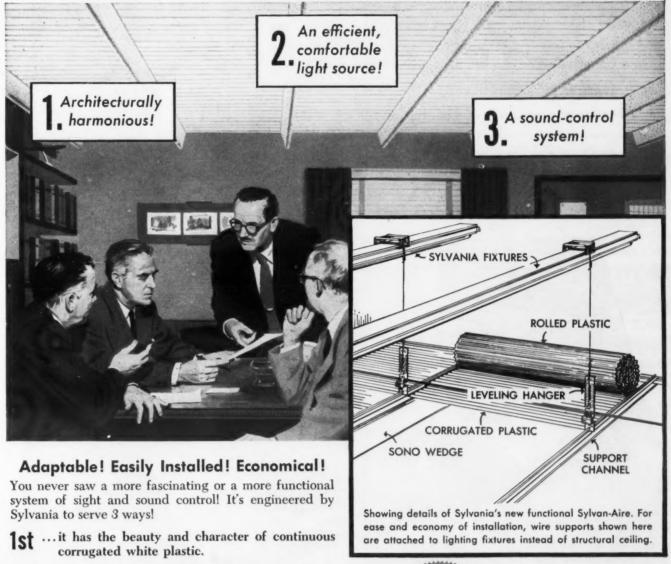
General office areas — reception rooms, stenographic pools, executive offices—were held at the 30 to 50 footcandles adequate for work performed there. The new installation was responsible for the elimination of clerical errors and nervous tension.

Supplementary lighting should be used not as a substitute for overhead lighting, but as an individual work tool given to specific workers because of the nature of their work. Both work together in providing the ideal seeing conditions for the modern office.

For more information on supplementary lighting, circle number 283 on the Reader Service Card.

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how much time and money out-grown or out-dated office arrangements have cost them - until they "start new" in space planned with the aid of Art Metal Office Planning Service!

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- "Office Standards and Planning Book
- "Manual of Desk Drawer

- - ☐ Floor Plan Layout Sheets and Cut-Out Plotting Templates





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(Circle 205 for more information)

idea

Air conditioning problems solved with packaged units

Air conditioning a six-story building flanked by two taller buildings, with which it has common side walls, was accomplished with twelve separate packaged units. The problem was to design a system that would (1) provide flexible operation so that the various departments could be cooled independently, (2) occupy a minimum of valuable floor space, (3) be installed with the least possible disturbance of normal business operations and (4) include provision for fresh air intake. Each unit at Rocke Internat'l Corp. is located in the space it serves and operates independently under the control of a room thermostat. The larger packaged units have been placed adjacent to a central air shaft from which fresh air is introduced. Fresh air is also introduced directly through the window-type equipment, which has been utilized only in the rear of the building. A single cooling tower on the roof re-circulates condensing water to the packaged upright conditioners.

Installation of equipment for the office floors involved only three operations-placement of the equipment, addition of new vertical piping runs for water supply, drain and cooling tower connections and short duct runs to the air shaft. The particular location of the equipment in each office area permitted this work to be done without interference with regular personnel. In the promotion department, the duct installation work was divided into two stages so that at least half of the floor was available at all times.

For more information, circle number 290 on the Reader Service Card.

idea

New products for work center application

Wood conference tables feature a variety of styles

A newly designed line of tables for offices and conference rooms ranges in style from early Jacobean to contemporary, in



American walnut or white oak. Special sizes, heights and styles may be ordered for custom installations or to match other equipment. A line of smaller tables, matching the conference tables, is also available.

For more information, write to Mutschler Brothers Company, Dept. S-1, Nappanee, Indiana; or circle number 282 on the Reader Service Card.

Individual air circulator for personal comfort

A new miniature air circulator, approximately 5" x 5" x 5", is an ideal piece of cooling equipment for each office desk.

Made of chrome and plastic, the personal fan will cool a person without creating drafts or blowing papers about the



desk. It will dispel smoke, which may linger about the desk, through its intake.

It operates on AC only, is available in ivory, black, grey or walnut.

For more information, write to the Dimensional Products Company, 166 Second Avenue, New York, N. Y.; or circle number 287 on the Reader Service Card.

High-frequency vending machine serves hot grilled sandwiches

A new, automatic hot food vending machine has a selection of five sandwiches, three hot and two cold. This dispenser is equipped with two coin mechanisms so that two people can operate the dispenser

at the same time. The price of each selection can be set separately to sell from ten cents to sixty cents, in multiples of 5c.

All sandwiches are packed in individual paper boxes (standard sandwich loaf bread). Each selection is vended from individual columns with a capacity of forty

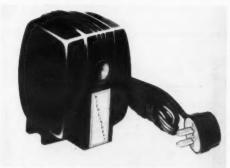


sandwiches each. They remain in a refrigeration compartment until they are delivered. Cold sandwiches are delivered immediately. The hot sandwiches enter the high-frequency cooking unit and are cooked in 18 seconds.

For more information, write to the American Vending Corporation, 12 East Grand Avenue, Chicago, Ill.; or circle number 289 on the Reader Service Card.

Automatic lighting controlled by "photo-electric eye"

A new, automatic light control switch works by measuring the outside light. The switch is mounted on a wall with its light sensitive "eye" pointing toward a window. Any lighting to be controlled is plugged into the switch. As it gets dark outside, the switch automatically turns the light



on and it will stay on until daybreak when the "eye" turns it off. The switch may go on at a different hour every night depending on the hour of darkness.

For more information, write to The Fisher-Pierce Company, Inc., 63 Pearl Street, S. Braintree, Boston 85, Massachusetts; or circle number 281 on the Reader Service Card.

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GUIDE

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(Circle 219 for more information)

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(Circle 231 for more information)

A methodical approach to

the purchase of office equipment

by Myles Fischer, Methods Department
International Correspondence Schools, Scranton, Pa.



merial

When it comes to buying office equipment, it has become increasingly difficult for the methodminded executive to pick out just which of a hundred competing brands are right for him.

He can—and does—continue to rely on price, design, manufacturer's name and reputation, the equipment salesman's attitude and his own knowledge of the field. But what happens when all of these factors cancel out, when two or a dozen desks, dictating machines or other office equipment look and act superficially alike and are competitively priced by reputable manufacturers?

It happened to us in early 1953. As a key platform in our then brand new equipment and furniture standardization program, we decided to replace our rambling miscellany of approximately 300 swivel, folding and armchairs with a group of handsome posture chairs that would fit in with both the over-all decor of our offices and the

specific seating needs of our entire clerical staff.

As it turned out, it was not that easy. On analysis, it appeared that a grand total of seven posture chairs were good-looking, fairly priced, offered support to the back and shoulders, and were just plain comfortable to sit in. After considerable discussion, we decided on an extensive on-the-job testing program to determine which chair (A, B, C, D, E, F or G) represented the best buy for us.

On June 1, 1953, seven girls were selected who had been performing representative typing and clerical tasks at I.C.S. They were introduced to the chairs, the purpose of the test and cautioned against discussing their observations until the final day.

On June 3, each girl was presented with a chair which was individually adjusted by an expert to her physical and posture characteristics. At the end of each week the chairs were rotated and re-adjusted. The test lasted for a total

of seven weeks so that every girl had a chance to use every chair.

We were able to eliminate chairs almost from the very beginning within the first few weeks, two models (D and E) were dropped from competition because the seats of both loosened and became wobbly, while the rubber parts started to check and crack. In the interests of objectivity the girls were not told of this decision, but it should be noted that these two chairs scored far lowest in the later evaluation.

For all practical purposes we were now dealing with only five of the original seven chairs and these were A, B, C, F and G.

On July 31, after all models had been tested, the girls were refitted to each chair and allowed to refresh their memories. They were then asked to evaluate each chair according to the following point values: Superior, 5 points; Excellent, 4 points; Good, 3 points; Fair, 2 points; Poor, 0 points. The chart below details results of the evaluation:



Chair	Superior 5	Excellent 4	Good 3	Fair 2	Poor	Total
A	*		****	*		
	5		15	2		22
В	*	**	***	*		
	5	8	9	2		24
C			****	***		
			12	6		18
D		*	**	*	***	
		4	6	2	0	12
E			*	**	****	
			3	4	0	7
F	*	*	****	*		
	5	4	12	2		23
G		****	**	*		
		16	6	2		24

office without the sacrifice of efficiency. See your Imperial dealer or write for particulars.

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We had already dropped Models D and E. We now also eliminated Model C, which not only scored a low total of 18 but also received no recommendations in the Superior or Excellent categories. We were then down to Models A, B, F and G.

At this point we re-examined the four winners. Model F lost out here because tubular back supports were sprung and adjustment of the back rest even to its forward limits failed to give adequate support.

Of the starting seven chairs only three now remained-A, B and G. All were equally pleasing to the eye, back and pocketbook and all passed these ten rigid standards of excellence:

1. Adjustments for seat height, angle of back support and height of back support.

2. Casters with nut and bolt axles.

3. Removable caster sockets.

4. Positive lock on seat height adjust-

5. Plastic or imitation leather seat and back pad.

6. Fabric backing on the plastic upholstery to prevent tears resulting from

7. Hard or soft rubber rollers as desired (depending on place of usage).

8. Welded steel frame construction.

9. Resistant to scratches.

10. No protruding nuts, bolts, knobs, etc., to catch clothing.

At this point we could have reached out and picked any of these three posture chairs without great fear of error. Instead we shifted our emphasis from the product to the final objectivegood posture. Did any of these three equipment manufacturers offer anything besides a fine chair? Did any have features which assured good posture?

We then re-examined the three chairs in actual use and discovered a surprising fact. Although all three could have provided good posture seating, only Model G was being utilized properly by the majority of users observed. The other chairs had been adjusted improperly by the users and, therefore, were of no more value than the poor quality chairs previously eliminated. The users had adjusted the

chairs to conform to, rather than correct, current bad posture habits. The reason for Model G being utilized properly became apparent. Its construction did not lend itself to easy adjustment by the user. Therefore, a person trained in posture seating had had to fit each chair to the individual user. The representatives of Model G's manufacturer had provided such a person and fitting service with each chair. The service of the other chair companies had ended with the signing of a delivery receipt.

Model G. therefore, turned out to have two hidden advantages that, on analysis, had proved of considerable interest:

1. Posture education—Model G alone came equipped with a posture expert who presented what was to all of us a surprisingly illuminating little lecture on how to make seating as comfortable an experience as possible. He also distributed solid and sensible information from the Posture Research

2. Follow-through—Manufacturers A and B sold their chairs and then left the scene. In contrast, Manufacturer G maintained constant surveillance over the seating situation by sending a representative from time to time to check up on the chairs and the men and women who occupied them. Thus, despite periodic turnover, proper seating remained completely up-to-date.

Based on these hidden "extras" we bought Model G posture chairs for all clerical employees. Increased production has been derived from them and users can attest to lessened fatigue at the end of the working day. In at least two cases, symptoms of arthritis have disappeared from elderly employees properly fitted with the new chairs. We are currently working out a similar procedure to standardize supervisor and executive seating.

The seven posture chairs were apparently all alike, but after seven weeks, one chair showed a number of direct and indirect advantages. It seems to me a similar test could be worked out for dictating machines, tabulators, intercoms or any other difficult-to-select types of office equipment. m/m



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clippings

Home study course to improve letter writing

A new letter writing improvement course seeks to fulfill an essential need of business. The new text is a work manual with 8 instruction units and correction service on 8 examinations.

Analysis, diagnosis and correction of the carbons of 64 actual letters written by the student is an integral part of the course. In addition, a follow-up is conducted to make certain that the student doesn't revert to old, bad letter-writing habits.

Pre-tested by more than 100 correspondents, the course has resulted in definite letter improvement. The main objectives of the course are to acquire letter-writing skills and to develop correct approach and attitudes.

For more information, write to International Correspondence Schools, Scranton, 9, Pa.; or circle number 280 on the Reader Service Card.

Free booklet advises retail operators on cash handling

Entitled, "How to Discourage Tough Customers," an illustrated booklet outlines 25 tips on cash handling and describes the best approach to cash protection in various types of stores. It also suggests ways to discourage burglars.

According to the booklet, in 1953 there was a burglary in this country every 1.12 minutes and a holdup every 8.8 minutes. The booklet advises how installing modern protective equipment can reduce insurance premiums as much as 70% in safe burglary policies.

For a free copy of the booklet, write to the Mosler Safe Company, 320 Fifth Avenue, New York 1, N. Y.; or circle number 279 on the Reader Service Card.



New machine completely mechanizes mass mailings

A new mailing machine features a builtin postage meter and power-driven stacker. The machine automatically gathers multiple enclosures, inserts them into an envelope, seals, prints postal indicia, counts and stacks the mail. With one operator at the controls, it prepares 3,500 to 4,500 pieces of finished mail per hour.

This list of accomplishments has been increased by the two new features. The postage meter unit enables mass mailers to completely prepare all types of mail—including first class—in one continuous operation. Separate payments of postage for each mailing is eliminated—as is separate processing of mail for inserting and meterng. The new power-driven stacker has increased capacity for envelopes, a factor which substantially reduces handling of finished mail by the operator. The result is greater speed in mechanical mail prep-



aration, as well as reduced handling time between machine and post office.

For more information, write to the Inserting and Mailing Machine Company, Phillipsburg, New Jersey; or circle number 278 on the Reader Service Card.

Low-priced "electronic brain" ideal for smaller companies

A new electronic computer for potential use in business routines as well as in engineering and scientific computation is contained in a cabinet the size of a normal desk. Designed for low cost mass production, it will sell in the \$30,000 range, compared with \$500,000 to \$1,000,000 for large scale "giant brains."

The machine is said to be unique in that it has no complicated dials, buttons or switches and that anyone can operate it without special training.

It has an internal "memory unit" of the magnetic drum type which stores such information as tables of interest rates and logarithms. It also stores intermediate results of computations and other data required in the solution of problems.

Whenever needed for processing, the information is automatically transferred to the computing mechanism or other components. Two 12-digit numbers can be



added in 2/1000 of a second; it will also subtract, multiply and divide.

Data are introduced through a keyboard. When all the computations have been completed, the machine prints final answers directly at speeds of up to 24 characters a second. The machine automatically selects the proper columns to print answers and it is flexible as to the size and shape of the document used and will handle up to 6 carbon copies. Results are immediately available in usable form.

For more information, write to Burroughs Corporation, Detroit 32, Michigan; or circle number 277 on the Reader Service Card.



How to get more use from your offset duplicator

A new booklet describes many business forms that can be printed by an offset duplicator and gives some helpful information on "forms design" in general. The booklet suggests and illustrates all types of production and sales forms.

For this free booklet, write to the Colitho Division, Columbia Ribbon & Carbon Mfg. Co., Inc., Glen Cove, N. Y.; or circle number 292 on the Reader Service Card.

Intercom system has "memory" circuit and "cut-in" service

A new dial-type intercom telephone system has a "memory" circuit and a device that allows key executives to "cut in" to a busy line with urgent messages. The system also provides for direct con-

nection with a paging or sound system, simple and easy calling of telephone conferences and unlimited simultaneous service of the entire system.

The "memory" circuit makes it unnecessary to repeat the dialing of a line that is busy. The system remembers the call and completes it the instant the busy line becomes available. The "cut in" feature allows the preempting of any line in the system, even though it may be busy.

Any desired number of people can confer simply by dialing a "conference call." Only those who are dialed are on the one line.

Since there are no shared circuits in the switchboard, all the phones in the system can be used at once. Peak calling periods do not cause traffic tie-ups in the switchboard.

The systems are available in 20-line and 40-line capacities, but initial installations can be made in any fraction of those sizes. Each line can have up to six extensions. Additional lines, up to the capacity of the board, can be added simply and easily. The systems can be leased or bought.

For more information, write to the Sound Equipment Division, Stromberg-Carlson Company, Rochester 3, New York; or circle number 274 on the Reader Service Card.



Booklet details procedures for delinquent account collection

A new, illustrated booklet explains how the "showmanship" factor can be effectively used to collect past due accounts. There are 29 different copy ideas to stimulate collections. The ideas are based on the logical premise that since showmanship is an important business tool in selling goods and services, it can easily be an important tool in completing the sale—by collecting for the goods or services sold.

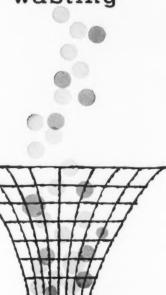
For a free copy of this booklet, write to A. August Tiger, 545 Fifth Avenue, New York, N. Y.; or circle number 293 on the Reader Service Card.

New discount handbook simplifies bill paying

A new tabular book, called a discounter, speeds the monthly process of bill paying and figuring discounts.

With the discounter, you simply find the amount of the invoice in the horizontal column and the percentage of discount in the vertical columns. Where the two lines cross, you have the amount of the discount and the net figure. The book has

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full tabulations from 1c to \$10,000 in percentages from 2% to 9% and by combinations of percentages from 1/2 of 1% to 99%. Using this tabular material, bill paying computations can be done at a glance.

For more information, write to L. D. Blehart Company, 10 Fishe Place, Mount Vernon, N. Y.; or circle number 275 on the Reader Service Card.



Free planning guide available for sales training program

A new booklet covers in brief, but complete, form all possible aspects of sales training, whether for a company's own sales force, for wholesaler and distributor salesmen or for the retail sales people selling the company's product. It is prepared in "check list" form, so that the sales executive can go through with a pencil checking off the "plus" and "minus" values of his company's training activities—past, present or in the projected future. The booklet makes possible a thorough evaluation of the scope of a company's operation in sales training and, at the same time, suggests many new approaches.

For a free copy of this comprehensive booklet, write to Porter Henry & Company, Inc., 507 Fifth Avenue, New York, N.Y.; or circle number 297 on the Reader Service Card.

Pushbutton motorized file affords fast accessibility to records

A new elevator file makes as many as 300,000 records readily available. To operate the file, a button is pressed until the desired tray comes into working position. This motorized file has an "electrical brain" which automatically brings each group of



trays to the operator by the shortest route. No record is more than three seconds away from the operator's fingertips. When the tray reaches the correct working position, the mechanism automatically stops, even if the operator continues to press the button.

The file handles tab cards and all popu-

New Ways to Cut Your Shipping Costs and Time...

With Weber Label and Marking Systems

Tab-On Stencil
System
System
System
System
Stencil is prepared in same operation as invoice or bill of lading



The new Weber Tab-On Stencil adheres over "ship-to" area. In one typing, forms and stencil are prepared. Stencil clips on Weber hand printer for addressing direct-on-container at a rate of 50 per minute.

Direct to Container System

Just One Stencil
Print facsimile
labels and address
direct-to-container
in one fast operation



Now low cost stencils already custom cut with a facsimile of your own shipping label. By just typing the "ship-to" address on these stencils . . clip on Weber hand printer and you're ready to print shipping label and address direct to container in one fast operation.

Custom Label System Prints and Addresses Any Size Label In One Operation



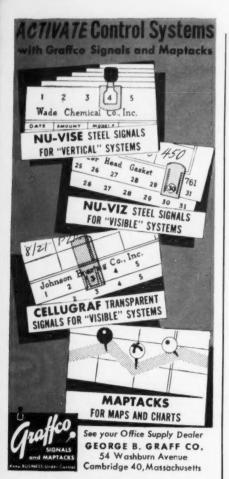
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- NON-SKID because of corner rubber cushions, which also protect desk.
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For more information, write to Department G. Diebold, Inc., 818 Mulberry Road, S.E. Canton, Ohio: or circle number 298 on the Reader Service Card.

Inverter operates recorder through car battery

A new inverter permits a busy executive or salesman to dictate material while in his car. The inverter uses the storage battery as its power source and can be mounted under the dashboard or in the trunk. It can be easily attached to any type of dictating machine.

For more information, write to the American Television and Radio Company, 300 East 4th Street, St. Paul, Minn.; or circle number 291 on the Reader Service

Free book details statistical quality control procedure guide

A comprehensive book details a complete case history of the successful application of statistical quality control to an extensive manufacturing operation. It presents an over-all program and specific procedure which can provide valuable guidance for other manufacturers.

Through extensive use of photographs, charts, graphs, completed forms, actual records and mathematical formulas, the booklet actually is a complete source book for production executives and quality control practitioners. It covers all phases of the manufacturing picture-design, planning, engineering, tooling, purchasing, production control and inspection.

For a free copy of this comprehensive book, write to Marchant Calculators, Inc., 1475 Powell Street, Oakland, California: or circle number 272 on the Reader Service Card.

New reading glass provides its own light source

A lightweight, rectangular reading glass, with built-in illuminator, operates from any 110-115 volt outlet. The new instrument floods the entire wide field of view with glareless light from a small bulb in the base of the handle. The glass affords



clear, shadowless reading of fine print and detailed examination of small objects under any light conditions.

For more information, write to the Bausch & Lamp Optical Company, 635 St. Paul Street, Rochester, N. Y .; or circle number 271 on the Reader Service Card.

Ticket converter speeds punched card accounting procedures

A new ticket converter automatically converts data from small price tickets or stubs into punched cards, at the rate of 100 a minute, for use in the mechanized preparation of reports. The new machine



eliminates manual sorting and tallying of tickets and posting of accumulated figures. Cards are automatically checked for accuracy during the process.

The ticket converter can summary punch and gang punch cards in addition to its basic "ticket-to-card" function, thereby extending its use into the areas of inventory, production control, piecework payroll and any similar accounting applications.

For more information, write to International Business Machines Corporation, 590 Madison Avenue, New York, N. Y .; or circle number 270 on the Reader Serv-



Photo taken at one plant of the Pioneer Ice Cream Div. of The Borden Co.

The DENOMINATOR goes to work for Borden's

Delivery route make-up is now simplified by using The Denominator—a modern, inexpensive, easy-tooperate device for counting and segregating telephone orders, shown at left, for quantities of ice cream by flavor, size, specialty, etc. This tabulation provides consolidated figures for load sheets at right.

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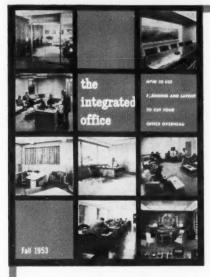
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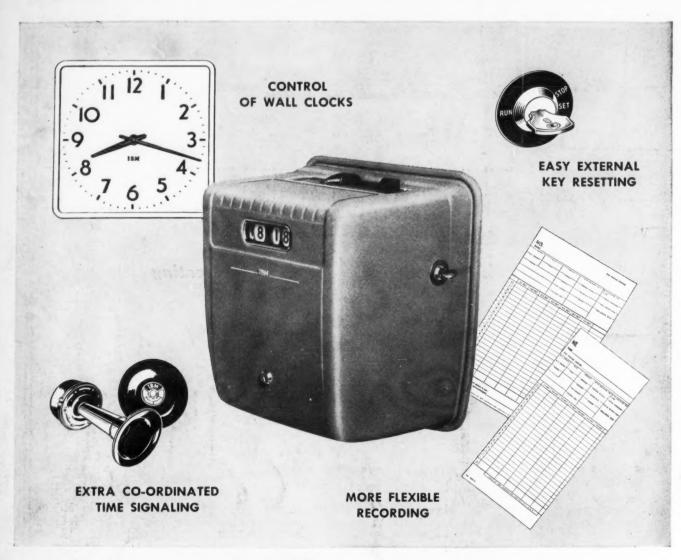
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